

Highly Confidential

Page 1

1  
2 UNITED STATES DISTRICT COURT  
3 FOR THE SOUTHERN DISTRICT OF NEW YORK  
4

5 -----  
6 UMB BANK, N.A., as Trustee,

7 Plaintiff

8 vs.

9 SANOFI,

10 Defendant  
11 -----  
12

13 HIGHLY CONFIDENTIAL  
14 DEPOSITION OF WILLIAM J. SIBOLD  
15 TUESDAY, JULY 17, 2018  
16 WEIL, GOTSHAL & MANGES LLP  
17 100 FEDERAL STREET  
18 BOSTON, MASSACHUSETTS  
19  
20  
21  
22

23 Reported by: Sandra A. Deschaine, CSR, RPR,  
24 CLR, CRA  
25 Job No. 144737

1 WILLIAM J. SIBOLD

2 A. Yes. Yeah.

3 Q. Now, when have you seen it before?

4 A. So I saw it when I started with  
5 the company. I can't be specific of the  
6 date.

7 Q. Okay. And when you were given the  
8 document, were you given any written summary  
9 of the document?

10 A. I can't recall.

11 Q. Do you know who gave you the  
12 document?

13 A. I can't recall.

14 Q. Was it someone in the legal  
15 department?

16 A. I can't recall.

17 Q. And were you given any  
18 instructions on what the document meant?

19 A. I can't remember.

20 Q. Do you recall why you were reading  
21 it?

22 A. As part of my onboarding, I just  
23 asked for any relevant documents related to  
24 the due course of the business, and I believe  
25 that this was -- this was one of them.

1 WILLIAM J. SIBOLD

2 Q. And after you read it when you  
3 first joined the company, did you ever read  
4 it again?

5 A. Read it, as in the whole document?  
6 No. Referred to it? Probably.

7 Q. Well, do you have any specific  
8 recollection of when you referred to it  
9 before?

10 A. No.

11 Q. Did it come up in conversation?

12 A. The document?

13 Q. Correct.

14 A. No.

15 Q. Now, you understand that this was  
16 an agreement between Sanofi-Aventis and  
17 American Stock Transfer & Trust Company,  
18 correct?

19 A. Yes.

20 Q. Did you understand what the  
21 purpose of the agreement was?

22 A. Yeah. To the best of my ability,  
23 yes.

24 Q. What --

25 A. I'm just -- just not being a

1 WILLIAM J. SIBOLD

2 but also getting it approved, correct?

3 A. Getting it approved, launching it,  
4 the whole process from -- you know, you have  
5 to -- correct. You have to get it approved  
6 in order to launch and all the activities  
7 surrounding that.

8 Q. And the focus of these efforts, as  
9 you understand them, based on the CVR  
10 agreement, was it just simply launch and be  
11 successful in marketing the product or was it  
12 to achieve a particular goal?

13 MR. NEUWIRTH: Objection to the  
14 form.

15 A. So, within the agreement, it lays  
16 out the milestones. However, the approach  
17 that we have -- we took to launch, was not to  
18 look to achieve milestones. It was to  
19 maximize the value of the product.

20 BY MR. WEISS:

21 Q. Do you know what a leveraged P&L  
22 is?

23 A. I know from the context that it's  
24 used in our budget discussions. I'm not sure  
25 if that is the same definition that's used

1 WILLIAM J. SIBOLD

2 A. Yeah. He may not be aware of the  
3 specifics of the program, just because he's  
4 got, you know, a huge portfolio that he  
5 oversees, and I'm not so sure he would know  
6 the specifics.

7 [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

12 Q. And is that part of what we might  
13 call life cycle management?

14 A. Yes.

15 Q. And what is life cycle management?

16 A. Life cycle management is looking  
17 at the -- kind of the long-term of the  
18 product and what are the needs to keep the  
19 product -- make the product successful over  
20 time, whether it be generation of new data,  
21 looking at a new formulation, different study  
22 work, different indications, et cetera. It's  
23 really on a per-asset basis, creating a plan  
24 that allows you to be successful with the  
25 product in the long-term.

1 WILLIAM J. SIBOLD

2 Do you see that?

3 A. Yes.

4 Q. And what's being referred to  
5 there?

6 A. The fact that the high unmet need  
7 remains in primary progressive MS.

8 THE REPORTER: The fact that the  
9 what?

10 THE WITNESS: The high unmet need  
11 remains. That there's not adequate --  
12 it's not adequately treated at the  
13 moment.

14 BY MR. WEISS:

15 Q. And the phrase "unmet need," or  
16 "high unmet need," that is a word that's used  
17 in pharma a bit, correct?

18 A. It is, yes.

19 Q. And that means that it's a need of  
20 a patient population that is going  
21 unaddressed?

22 A. Yes.

23 Q. And it's important, as an ethical  
24 pharmaceutical company, to address the needs  
25 of those patients?

1 WILLIAM J. SIBOLD

2 Q. Okay. And --

3 A. So it's an analysis.

4 Q. And part of that is certainly the  
5 financial value of the product; yes?

6 A. Yes, that would be part of the  
7 analysis.

8 Q. And that would include  
9 profitability of the product?

10 A. Yes, that would be part of the  
11 analysis.

12 Q. And is this presentation  
13 indication that, at least as of December  
14 2017, it was your belief that alemtuzumab had  
15 the potential to meet the high unmet need in  
16 PPMS?

17 A. Yes, it had the -- that it would  
18 merit running a study to find out whether it  
19 does or doesn't, yes.

20 Q. And, in fact, it's a Phase III  
21 clinical trial, correct?

22 A. Yes.

23 Q. And that's not a proof of concept  
24 study, correct?

25 A. Definitionally, no. But that

A horizontal bar chart titled 'Percentage of respondents who believe that the government should take action to address climate change'. The chart is broken down by age group (18-29, 30-49, 50-69, 70+) and gender (Male, Female). The x-axis represents the percentage of respondents, ranging from 0% to 100%. The y-axis lists the demographic groups. The data shows that a majority of respondents in all age groups and both genders believe the government should take action to address climate change, with the highest percentages generally found in the 18-29 age group and among females.

| Age Group | Gender | Percentage of respondents who believe that the government should take action to address climate change |
|-----------|--------|--|
| 18-29     | Male   | 85%  |
|           | Female | 92%  |
| 30-49     | Male   | 78%  |
|           | Female | 88%  |
| 50-69     | Male   | 72%  |
|           | Female | 82%  |
| 70+       | Male   | 65%  |
|           | Female | 75%  |



Highly Confidential

Page 101

1 WILLIAM J. SIBOLD

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

WILLIAM J. SIBOLD

other tests for secondary autoimmunity in 2012, is it your belief that the sales of Lemtrada would have been higher?

A. Yes.

Q. Significantly higher, correct?

A. It depends on the label. You can't say significantly. It would have had an impact, yes, and it would be a positive impact.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

114

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[illegible]

20 Q. Thank you.

21                   And that's part of because drugs  
22   are risk benefit assessments, for each  
23   patient, correct?

24                    A.     Yes.

25 Q. The higher the benefit, you may

1 WILLIAM J. SIBOLD

2 in which there, again, been challenges to  
3 increase BOI --

4 A. Yeah.

5 Q. -- those existed; yes?

6 A. Yes, BOI. But, you know, the  
7 components of BOI are sales and OpEx. Sales  
8 minus OpEx, essentially BOI, you know,  
9 generally; that there's a point where you  
10 can't cut -- you could not cut OpEx enough to  
11 hit your long-term BOI goals. You can't --  
12 you just -- you can't do that. It's the  
13 top-line sales that are going to be the  
14 real -- the real -- you know, the lever.

15 Q. But, forgive me, you were given  
16 instructions --

17 A. Yeah.

18 Q. -- during relevant periods --

19 A. Uh-huh.

20 Q. -- to cut OpEx to reach short-term  
21 BOI goals, right?

22 A. If you didn't have the sales that  
23 were going to be -- if the sales weren't  
24 going to get you there.

25 Q. And, in fact, there were time to

1 WILLIAM J. SIBOLD

2 told me that, so yes, I do know it now.

3 Q. You know it now. Did you know it  
4 before?

5 A. I've looked at it. The actual  
6 numbers escaped my memory.

7 Q. I'm confused. Sorry.  
8 What is your current position?

9 A. Head of Sanofi Genzyme.

10 Q. And that includes Lemtrada?

11 A. Yes.

12 Q. And before that, you were in  
13 charge of MS, correct?

14 A. No. MS oncology and immunology.

15 Q. Okay. But that included Lemtrada?

16 A. That included Lemtrada, yes.

17 Q. And before that, what was your job  
18 position?

19 A. Head of MS.

20 Q. And that included Lemtrada?

21 A. Yes.

22 Q. And during those time periods, did  
23 you actually know the dollar numbers --

24 A. Yes.

25 Q. -- of all the various sales



1 WILLIAM J. SIBOLD

2 A. Improvement in disability, in the  
3 absolute sense of starting of a walker and  
4 getting rid of the walker, not something that  
5 had really been seen before. Typically, it  
6 was a you stopped the decline; you didn't see  
7 the improvement.

8 Q. But as we said, stopping the  
9 decline is a form of improvement disability?

10 A. It's a form of improvement versus  
11 where your future stayed, yeah.

12 Q. And Tysabri was perceived, by some  
13 doctors, as having that attribute, correct?

14 A. Of -- yes, halting the disease.

15 Q. And that was important to  
16 Tysabri's commercial value?

17 A. Yes. And particularly, so in the  
18 second relaunch, when you have to evaluate  
19 benefit versus risk.

20 Q. And that was not in the Tysabri  
21 label, though?

22 A. The disability effect, I thought,  
23 was in the Tysabri label.

24 Q. Do you know? Do you recall?

25 A. I don't recall. But we could --